

Message Text

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ACTION ARA-20

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FM AMCONSUL CURACAO

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SUBJECT: FY 1974 COMMERCIAL ACTION PROGRAM

REF: (A) CURACAO 0043, (B) CURACAO 0161, (C) STATE 32977

(D) STATE 1729, (E) CURACAO 0772, (F) STATE 22534

1. ALTHOUGH CONGEN FIRMLY SUPPORTS OBJECTIVE OF EXPANSION OF US EXPORTS AND BENDS EVERY POSSIBLE EFFORT TO THIS END, FACTORS OTHER THAN THOSE INCLUDABLE IN THE CAP AS IT HAS BEEN CONCEIVED, MAY CANCEL EXTENSIVE EFFORT WHICH, IN ANY CASE IS NOT EASILY REFLECTED BY WORKLOAD STATISTICS. CONGEN HAS ONLY ONE ECON/COMMERCIAL OFFICER, WHO ALSO BEARS OTHER RESPONSIBILITIES, AND ONE LOCAL IN COMMERCIAL WORK.

2. THE NA IS CURRENTLY A VERY HEAVY IMPORTER OF US PRODUCTS. US EXPORTS ACCOUNT FOR APPROXIMATELY 45 PERCENT OF TOTAL NONPETROLEUM IMPORTS TO THE NA, MAKING THE US ITS LARGEST TRADING PARTNER. US EXPORTS TO THE NA HAVE BEEN RISING, REACHING DOLS 120 MILLION IN 1972 AND PROBABLY NOW ABOUT DOLS 150 MILLION. AREAS FOR EXPANSION OF US TRADE IN THE NA MARKET, ALREADY SO SATURATED, APPEAR TO CONGEN EXTREMELY LIMITED IN A MARKET OF LESS THAN A QUARTER OF A MILLION PEOPLE PART OF WHOSE INCOME MUST BE SPENT ON NON-AMERICAN PRODUCTS, PARTICULARLY SOME BASIC FOOD ITEMS.

3. AT PRESENT, NA BUSINESSMEN ARE EXPERIENCING GREAT DIFFICULTY IN RECEIVING GOODS THEY HAVE ORDERED FROM THE US.

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BACKLOGS, ESPECIALLY IN THE PORTS OF BALTIMORE, NEW YORK AND

MIAMI, OF UP TO SIX MONTHS HAVE BEEN NOTED BY CONGEN (REF.(B) AND THE VALUE OF GOODS IN SUSPENSE IS AT LEAST DOLS 3.5 MILLION ON CONSUMER DURABLES, FOOD AND HOUSEHOLD PRODUCTS. (FOR EXAMPLE, THE FORD DEALER ON CURACAO REPORTS HE HAS BEEN WAITING FOR SHIPMENT OF 120 MOTOR VEHICLES FROM MIAMI FOR SEVERAL MONTHS). CONTACTS WITH BUSINESS AND GOVERNMENT OFFICIALS INDICATE A GREAT RELUCTANCE TO PLACE ANY NEW ORDERS UNTIL DELIVERY CAN BE ASSURED. CONGEN IS OF THE FIRM OPINION THAT ALL EFFORTS MUST BE DIRECTED TOWARD ELIMINATING THESE DESTRUCTIVE DELAYS. PRESERVING THE US TRADING POSITION VIS-A-VIS THE NA, IN LIGHT OF NA BUSINESSMEN'S DISSATISFACTION AND THE IMPLIED POSSIBILITY OF ORDERS BEING TRANSFERRED FROM US SUPPLIERS TO OTHERS BECAUSE OF THE SHIPPING IS, IN THE CONGEN VIEWS, OF ALMOST EXCLUSIVE IMPORTANCE FOR THE REMAINDER OF FY 74. NEW OBJECTIVE TWO, THEREFORE, SHOULD BE TO TAKE ALL APPROPRIATE ACTION THAT COULD HELP TO ELIMINATE THE SHIPPING BACKLOG AND RESTORE THE ACCEPTABILITY OF US GOODS ON THE LOCAL MARKET: ONCE THIS IS ACCOMPLISHED, THE FACT SHOULD BE WIDELY PUBLISHED.

4. ACTION PROPOSED IS A) CONGEN SHOULD CONTINUE TO DETERMINE AND REPORT EXTENT OF BACKLOGS: B) STATE AND COMMERCE SHOULD USE EVERY EFFORT TO AID IN RELIEVING BACKLOG PRESSURES AND IN MOVING ORDERED GOODS OUT OF US AND ON TO NA MARKETS EXPEDITIOUSLY: C) CONGEN IS INFORMING IMPORTERS OF CONGEN'S AND USG'S EFFORTS AND CONCERN IN RELIEVING SITUATION. THESE EFFORTS, ALREADY BEGUN, SHOULD BE CONTINUED UNABATED UNTIL REMEDY IS APPARENT AND WITH THE VIEW TO PREVENTING REPETITION: D) CONGEN PROPOSES MONITORING AND REPORTING ON SITUATION AND CONDUCTING STUDY OF CAUSES TO HELP PREVENT ANY REOCCURENCE. ONCE THE SITUATION IS AMELIORATED, THE FACT SHOULD BE WIDELY PUBLICIZED LOCALLY. FINAL REPORT TO WASHINGTON ESTIMATED TO ARRIVE 30 DAYS AFTER SOLUTION IS APPARENT.

5. CONSTANT EFFORTS TO IMPROVE US EXPORTS TO NA WILL CONTINUE UNABATED: AS PRESSURES CAUSED BY SHIPMENT DELAYS RECEDE, CONGEN WILL HAVE GREATER SUCCESS IN EXPANDING MARKET POTENTIAL FOR ADDITIONAL US EXPORTS AND BE ABLE TO ALERT AND ENCOURAGE EVEN MORE US SUPPLIERS.

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YM NOT INCLUDED IN CAP BUT IN LINE WITH EXPORT EXPANSION, TWO FOOD EXHIBITIONS HAVE BEEN SCHEDULED FOR CURACAO DURING THE FIRST HALF OF CY 74 UNDER DEPT. OF AGRICULTURE SPONSORSHIP. FIRST EXHIBITION HELD IN FEBRUARY WAS APPARENTLY SUCCESSFUL AND A SECOND, LARGER SHOW IS SCHEDULED FOR JUNE. IN ADDITION, A PUERTO RICAN TRADE MISSION VISITED CURACAO IN MARCH. ALTHOUGH NOTICE OF THE MISSION WAS RECEIVED AFTER THE SUBMISSION

OF CAP, CONGEN PROVIDED ALL POSSIBLE ASSISTANCE TO THE MISSION. THIS ORGANIZATIONAL AND LIAISON ASSISTANCE TOTALED MORE THAN 70 MAN HOURS, NOT INCLUDING FOLLOW UP. A REPORT FROM THE PUERTO RICAN DEPT. OF COMMERCE INDICATES IMMEDIATE SALES OF DOLS 234,000 WERE MADE AND PROJECTED SALES OF DOLS 434,000 IN THE NEXT SIX TO TWELVE MONTHS, INCLUDING SUCH DIVERSE ITEMS AS LAMPSHADES AND MOTORBOATS. THE CONGEN AGREES THAT ORGANIZED TRADE PROMOTION ACTIVITIES SERVE A USEFUL FUNCTION. HOWEVER, THE LIMITED SIZE OF THE NA MARKET AND THE SMALL NUMBER OF POTENTIAL DISTRIBUTORS INVOLVED OFTEN GIVE SUCH EVENTS, PARTICULARLY WHEN THEY ARE HORIZONTALLY INTEGRATED, A LOW-EFFORT-PRODUCTIVITY RATIO. IN ADDITION, SINCE THE CAP WAS PREPARED FOR FY 74, ANY SUCH EVENT WOULD HAVE TO BE SCHEDULED FOR A LATER TIME AND WAS NOT INCLUDED. ANY APPROPRIATE FUTURE DIRECT TRADE PROMOTIONAL EVENT SUCH AS A TRADE MISSION WOULD BE WELCOMED BY THE CONGEN.

7. IN LIGHT OF WASHINGTON S APPARENT NEED FOR DESK STUDIES, CONGEN CONCURS WITH PARA 2(C) REF. C AND WILL PROVIDE A DESK STUDY OR SIMILAR REPORT ON THE PROSPECTIVE LOCAL MARKET TO MANUFACTURE BRICK BLOCKS. TARGET DATE FOR SUBMISSION: APRIL 30.

8. THE CONGEN HAS NO OBJECTION TO THE PROPOSED REVISION OF OBJECTIVE NUMBER THREE. UNDER ACTION ONE WE PROPOSE: CONSULTATION WILL BE UNDERTAKEN WITH THE LOCAL GOVERNMENTS OF CURACAO AND ARUBA TO IDENTIFY POSSIBILITIES OF PRE-FABRICATED HOUSING AND MOBILE HOME SALES FOR GOVERNMENT FINANCED PROJECTS: APPROPRIATE TRADE OPPORTUNITIES WILL BE REPORTED IF DEVELOPED. ACTION TWO: THE CONGEN WILL UNDERTAKE TO LOCATE IMPORTERS-DISTRIBUTORS WITH INTEREST IN REPRESENTING US PRE-FABRICATED HOUSING AND MOBILE HOME MANUFACTURERS AND ASSIST IN MAKING SUITABLE COMMERCIAL UNCLASSIFIED

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ARRANGEMENTS WITH THESE MANUFACTURERS.

9. OBJECTIVE FOUR CAN BE EXPANDED TO CONFORM WITH PARA 2(F) REF. C. UNDER ACTION ONE: INCREASE AWARENESS OF LOCAL BUSINESSMEN TO EXISTENCE OF COMMERCIAL LIBRARY. REMINDERS WILL BE PLACED IN LOCAL TRADE JOURNALS AND NOTICES WILL BE DISTRIBUTED TO HOTELS. ADVERT
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